

Beneficial effects were felt at once upon the economic condition of Greece from the firm control of the International Commission, but they only began to be marked after it had been several years in operation. The average rate of exchange, which was 1.68 in 1897, was still at 1.63 in 1902, but fell to 1.56 in 1903 ; 1.38 in 1904; 1.23 in 1905 ; 1.10 in 1906; and 1.087 in 1907- These changes occurred largely as the result of confidence in the new regime rather than because of an obviously favorable balance of payments. In 1893 foreign capital was rapidly withdrawn from Greece by the banks, but after 1898 it began to return, with a resulting development of railway and industrial enterprises and expansion of the volume of business of the banks. This is indicated by the increase of drafts to order, which were chiefly foreign bills, issued by the National Bank, from 116,984,000 drachmas in 1896 to 489,284,000 in 1904, and by the increase in exchange operations at the Bank of Athens from 728,000 drachmas to 324,214,000 drachmas. The increase in deposits in the two institutions was from 45,854,000 to 130,464,000 drachmas (\$25,180,000).<sup>\*</sup> Equally notable was the influx of foreign capital for railway and industrial enterprises to the amount of 35,000,000 drachmas and the repatriation of the national securities shown by the increase of the amount of coupons paid in Greece from 459,843 drachmas in 1899 to 789,300 drachmas in 1905, indicating holdings in Greece on the latter date of the value of 21,000,000 drachmas.<sup>3</sup> From 1896 to 1904 the market value of securities quoted on the Greek exchanges, not including the public debt, rose from 156,361,000 drachmas to 272,681,000 drachmas.<sup>3</sup>

Improvements in banking conditions accompanied the growth in the resources of the country. The Epiro-

<sup>1</sup> The\*ry, *La Grece Actuelle*, 169.

<sup>\*</sup> *Journal Economiste Européen* ^ May n, 1906, XXIX., 584. For similar cases of the repatriation of national securities under improved economic conditions, *vide* the author's *Principles of Money and Banking*, II., 344-46.

<sup>3</sup> TheYy, *La Grece Aduelle*, 155.